

October 12, 2011

WASHINGTON, DC—U.S. Congressman Peter DeFazio (D-OR) today responded to the passage of three job-killing trade agreements with South Korea, Panama, and Colombia:

“Unfortunately today the House of Representatives voted for three more free trade agreements that will lead to the further erosion of our already degraded manufacturing base. In the case of South Korea, Korean auto parts manufacturers are guaranteed easier access to American markets and in exchange the U.S. *may* be able to export more beef. Even the cheerleaders at the United States International Trade Commission admit that this agreement will increase our trade deficit which means we will lose more jobs.

“The Panama agreement is horrible. It gives the Western Hemisphere’s leader in sheltering drug runners and money laundering corporations better and freer access to the U.S. economy. Panama is a country with the population of Oregon and home to over 400,000 corporations seeking to avoid U.S. taxes and laws. Under this agreement, they will enjoy greater access to U.S. markets. This will not bode well for the future.

“And finally the Colombian agreement. The Colombian government murders labor activists seeking better working conditions as a national policy. They promise they won’t do it anymore and in exchange average Colombians, who earn \$9,000 per capita, will put all of their earnings toward buying U.S. goods. Yet one more bait and switch. Colombia will become yet another base for U.S. manufacturers to access cheap, exploited labor to export goods back to American markets.

“We need a new trade policy for this country. We cannot continue to hemorrhage our manufacturing jobs and industrial base to countries that don’t compete fairly. These three agreements were written by the Bush administration and are unfortunately endorsed by the Obama administration and they will be a disaster for this country.”

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BACKGROUND

The Economic Policy Institute estimates that these three trade agreements will cost the U.S. over 200,000 jobs and increase our trade deficit by at least \$20 billion

South Korea FTA

- The Economic Policy Institute (EPI) estimates the U.S. will lose 159,000 manufacturing jobs in the first seven years if it is passed.
- EPI estimates that our trade deficit with South Korea will grow from \$10 billion to nearly \$17 billion in the first seven years.
- U.S. goods would face a 20% price disadvantage on the Korean market due to Value Added Tax.
- Korea is not playing by the rules, manipulating its currency which disadvantages U.S. imports and deepens the trade imbalance.

Colombia FTA

- EPI estimates the U.S. will lose 55,000 manufacturing jobs in the first seven years if it is passed.
- EPI estimates that our trade deficit with Colombia will grow to \$2.9 billion in the first seven years.
- According to *Escuela Nacional Sindical*, 2,857 Colombian workers' rights activists have been murdered in the past 25 years after spearheading efforts to improve unhealthy work conditions. No worker protections are included in the FTA.

Panama FTA

- Panama is a well-known tax haven for multi-national corporations evading taxes and laundering money.
- Does not address Panama's narco trafficking-money laundering protection. The Dept. of Justice says Mexican and Colombia drug cartels funnel money through Panama.

As a result of so-called "free" trade agreements, 54,000 U.S. manufacturers have boarded up or moved overseas over the last ten years. **As those factories have disappeared, so have over 5 million family wage manufacturing jobs including 53,000 in Oregon according to the Bureau of Labor Statistics.**

In 1998, the Congress authorized the Trade Deficit Review Commission in the wake of a \$166 billion trade deficit. It was a watered down version of one designed in the End the Trade Deficit Act introduced by Rep. DeFazio and Senator Dorgan. Unfortunately, the Commission was deadlocked along partisan lines and no recommendations were ever enacted.